

Bill No. SB 1864

Barcode 330450    Comm: RCS    04/09/2007 05:53 PM

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Proposed Committee Substitute by the Committee on Banking and Insurance

1                                    A bill to be entitled

2                    An act relating to hurricane damage mitigation;

3                    amending s. 215.5586, F.S.; redesignating the

4                    Florida Comprehensive Hurricane Damage

5                    Mitigation Program as the "My Safe Florida Home

6                    Program"; providing additional duties of the

7                    Department of Financial Services; revising

8                    criteria and requirements for hurricane

9                    mitigation inspections; requiring the

10                   department to contract with certain entities to

11                   provide hurricane mitigation inspections;

12                   revising the requirements for such inspections;

13                   providing for a hurricane resistance rating

14                   scale as adopted by the Financial Services

15                   Commission; revising the requirements for an

16                   entity to be selected by the department to

17                   perform inspections; providing qualification

18                   requirements for certain licensed

19                   professionals; providing requirements for a

20                   homeowner with respect to applying for an

21                   inspection; revising requirements for

22                   mitigation grants; limiting the purposes for

23                   which a grant may be used; providing for

24                   priorities of grants; requiring the department

25                   to develop a grant applications verification

26                   and collection process; authorizing the

27                   department to undertake a statewide consumer

28                   information campaign; requiring the advisory

29                   council to advise and assist the department in

30                   administering the program; expanding the

31                   department's authorization to enhance financial

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1 resource funding of the program; revising the  
2 department's rulemaking authority; deleting  
3 provisions authorizing the department to  
4 contract with not-for-profit corporations;  
5 requiring the department to maintain a list of  
6 authorized hurricane mitigation inspectors;  
7 authorizing the department to develop a  
8 no-interest loan program; providing program  
9 requirements and limitations; requiring the  
10 department to pay certain creditors from funds  
11 appropriated for the program; providing loan  
12 eligibility criteria; authorizing the  
13 department to set aside certain funds for  
14 program purposes; requiring the department to  
15 adopt rules; providing for public outreach for  
16 contractors, real estate brokers, and licensed  
17 sales associates; authorizing the department to  
18 contract for grants management, inspection  
19 services, education outreach, and auditing  
20 services; providing additional legislative  
21 intent; requiring the department to make annual  
22 reports to the Legislature concerning the  
23 program; providing report requirements;  
24 amending s. 489.115, F.S.; including wind  
25 mitigation methodologies under certain  
26 continuing education requirements for  
27 contractors; amending ss. 4, 39, and 42 of ch.  
28 2006-12, Laws of Florida; providing conforming  
29 changes to the redesignation of the Florida  
30 Comprehensive Hurricane Damage Mitigation  
31 Program; providing legislative intent;

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1 requiring the Office of Insurance Regulation,  
2 in consultation with the Department of  
3 Community Affairs and the Florida Building  
4 Commission, to conduct wind-loss mitigation  
5 studies; providing requirements for the  
6 studies; requiring a report to the Governor,  
7 the Legislature, the Chief Financial Officer,  
8 and the Commissioner of Insurance Regulation;  
9 creating s. 553.844, F.S.; providing  
10 legislative findings concerning the need to  
11 prevent property damage caused by hurricanes;  
12 requiring the Florida Building Commission to  
13 adopt amendments to the Florida Building Code,  
14 including requirements for buildings  
15 constructed before the implementation of the  
16 code; providing requirements for such  
17 amendments; providing requirements for  
18 buildings located in a wind-borne debris  
19 region; amending s. 627.351, F.S.; requiring  
20 that a residential structure located in a  
21 wind-borne debris region have certain opening  
22 protections required under the Florida Building  
23 Code in order to be eligible for coverage by  
24 the Citizens Property Insurance Corporation;  
25 providing an effective date.

26  
27 Be It Enacted by the Legislature of the State of Florida:

28  
29 Section 1. Section 215.5586, Florida Statutes, is  
30 amended to read:

31 215.5586 My Safe Florida Home ~~Comprehensive Hurricane~~

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1 ~~Damage Mitigation~~ Program.--There is established within the  
2 Department of Financial Services the My Safe Florida Home  
3 ~~Comprehensive Hurricane Damage Mitigation~~ Program. The  
4 department shall provide fiscal accountability, contract  
5 management, and strategic leadership for the program,  
6 consistent with this section. This section does not create an  
7 entitlement for property owners or obligate the state in any  
8 way to fund the inspection or retrofitting of residential  
9 property in this state. Implementation of this program is  
10 subject to annual legislative appropriations. ~~The program~~  
11 ~~shall be administered by an individual with prior executive~~  
12 ~~experience in the private sector in the areas of insurance,~~  
13 ~~business, or construction.~~ The program shall develop and  
14 implement a comprehensive and coordinated approach for  
15 hurricane damage mitigation that shall include the following:

16 (1) ~~WIND CERTIFICATION AND~~ HURRICANE MITIGATION  
17 INSPECTIONS.--

18 (a) Free home-retrofit inspections of site-built,  
19 single-family, residential property, ~~including single-family,~~  
20 ~~two-family, three-family, or four-family residential units,~~  
21 shall be offered throughout the state to determine what  
22 mitigation measures are needed, what insurance premium  
23 discounts may be available, and what improvements to existing  
24 residential properties are needed to reduce the property's  
25 vulnerability to hurricane damage. The Department of Financial  
26 Services shall contract with ~~establish a request for proposals~~  
27 ~~to solicit proposals from~~ wind certification entities to  
28 provide free ~~at no cost to homeowners~~ wind certification and  
29 hurricane mitigation inspections. The inspections provided to  
30 homeowners, at a minimum, must include:

31 1. A home inspection and report that summarizes the

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1 results and identifies recommended improvements ~~corrective~~  
2 ~~actions~~ a homeowner may take to mitigate hurricane damage.

3         2. A range of cost estimates regarding the recommended  
4 mitigation improvements ~~features~~.

5         3. Insurer-specific information regarding premium  
6 discounts correlated to the current mitigation features and  
7 the recommended mitigation improvements ~~features~~ identified by  
8 the inspection.

9         4. A hurricane resistance rating scale specifying the  
10 home's current as well as projected wind resistance  
11 capabilities. As soon as practical, the rating scale must be  
12 the uniform home grading scale adopted by the Financial  
13 Services Commission pursuant to s. 40 of chapter 2007-1, Laws  
14 of Florida.

15         (b) To qualify for selection by the department as a  
16 ~~provider of~~ wind certification entity to provide ~~and~~ hurricane  
17 mitigation inspections, the entity shall, at a minimum:

18         1. Use ~~wind certification and~~ hurricane mitigation  
19 inspectors who:

20             a. Have prior experience in residential construction  
21 or inspection and have received specialized training in  
22 hurricane mitigation procedures. Such training may be provided  
23 by a class offered online or in person.

24             b. Have undergone drug testing and level 2 background  
25 checks pursuant to s. 435.04. The department is authorized to  
26 conduct criminal record checks of inspectors used by wind  
27 certification entities. Inspectors must submit a set of the  
28 fingerprints to the department for state and national criminal  
29 history checks and must pay the fingerprint processing fee set  
30 forth in s. 624.501. The fingerprints shall be sent by the  
31 department to the Department of Law Enforcement and forwarded

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1 to the Federal Bureau of Investigation for processing. The  
2 results shall be returned to the department for screening. The  
3 fingerprints shall be taken by a law enforcement agency,  
4 designated examination center, or other department-approved  
5 entity. ~~Wind certification and~~ Hurricane mitigation inspectors  
6 participating in the program on January 25, 2007, the  
7 ~~effective date of this act~~ shall have until June 1, 2007, to  
8 meet the requirements for a criminal record check.

9 c. Have been certified, in a manner satisfactory to  
10 the department, to conduct the inspections.

11 2. Provide a quality assurance program including a  
12 reinspection component.

13 (c) The requirements of subparagraph (b)1. do not  
14 apply to an individual who:

15 1. Holds an active and current license as a:

16 a. Division I contractor under chapter 489.

17 b. Building code administrator or building code

18 inspector under chapter 468;

19 c. Architect under chapter 468; or

20 d. Engineer under chapter 471; and

21 2. Completes a 2-hour course on the program provided  
22 or approved by the department, available online or in person.

23 (d) An application for an inspection must contain a  
24 signed or electronically verified statement made under penalty  
25 of perjury that the applicant has submitted only a single  
26 application for that home.

27 (e) The owner of a site-built, single-family,  
28 residential property may apply for and receive an inspection  
29 without also applying for a grant pursuant to subsection (2)  
30 and without meeting the requirements of paragraph (2)(a).

31 (2) MITIGATION GRANTS.--Financial grants shall be used

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to encourage single-family, site-built, owner-occupied,  
residential property owners to retrofit their properties to  
make them less vulnerable to hurricane damage.

(a) To be eligible for a grant for persons who have  
obtained a completed inspection after May 1, 2007, a  
residential property must:

1. Have been granted a homestead exemption under  
chapter 196.

2. Be a dwelling having a just valuation for purposes  
of ad valorem property taxation of \$300,000 ~~with an insured  
value of \$500,000~~ or less. Homeowners who are low-income  
persons, as defined in s. 420.0004(10), are exempt from this  
requirement.

3. Have undergone an acceptable ~~wind certification and  
hurricane mitigation inspection, if the property is an  
existing structure.~~

4. Be located in the "wind-borne debris region" as  
that term is defined in s. 1609.2, International Building Code  
(2006).

5. Be a home for which the building permit application  
for initial construction was made before March 1, 2002.

An application for a grant must contain a signed or  
electronically verified statement made under penalty of  
perjury that the applicant has submitted only a single  
application and must have attached documents demonstrating the  
applicant meets the requirements of this paragraph. A  
residential property which is part of a multifamily  
residential unit may receive a grant only if all homeowners  
participate and the total number of units does not exceed  
four.

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1 (b) All grants are limited to 25 percent of the actual  
2 cost of the ~~must be matched on a dollar-for-dollar basis for a~~  
3 ~~total of \$10,000 for the~~ mitigation project with the state's  
4 contribution not to exceed \$2,500 ~~\$5,000~~.

5 (c) The program shall create a process in which  
6 ~~mitigation~~ contractors agree to participate ~~and seek~~  
7 ~~reimbursement from the state~~ and homeowners select from a list  
8 of participating contractors. All mitigation must be based  
9 upon the securing of all required local permits and  
10 inspections and must be performed by properly licensed  
11 contractors. Mitigation projects are subject to random  
12 reinspection of up to at least 5 ~~10~~ percent of all projects.

13 (d) Matching fund grants shall also be made available  
14 to local governments and nonprofit entities for projects that  
15 will reduce hurricane damage to single-family, site-built,  
16 owner-occupied, residential property. The department shall  
17 liberally construe those requirements in favor of availing the  
18 state of the opportunity to leverage funding for the My Safe  
19 Florida Home Program with other sources of funding.

20 (e) When recommended by a hurricane mitigation  
21 inspection, grants may be used for the following improvements  
22 only:

23 ~~1. Roof deck attachment.~~

24 ~~2. Secondary water barrier.~~

25 ~~3. Roof covering.~~

26 ~~4. Brace gable ends.~~

27 ~~5. Reinforce roof-to-wall connections.~~

28 1.6. Opening protection.

29 2.7. Exterior doors, including garage doors.

30 3. Brace gable ends.

31 (f) Grants may be used on a previously inspected



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1 existing structure or on a rebuild. A rebuild is defined as a  
2 site-built, single-family dwelling under construction to  
3 replace a home that was destroyed or significantly damaged by  
4 a hurricane and deemed unlivable by a regulatory authority.

5 The homeowner must be a low-income homeowner as defined in  
6 paragraph (g), must have had a homestead exemption for that  
7 home prior to the hurricane, and must be intending to rebuild  
8 the home as that homeowner's homestead ~~and maintained the~~  
9 ~~homestead exemption.~~

10 (g) Low-income homeowners, as defined in s.  
11 420.0004(10), who otherwise meet the requirements of  
12 paragraphs (a), (c), (e), and (f) are eligible for a grant of  
13 up to \$2,500 ~~\$5,000~~ and are not required to provide a matching  
14 amount to receive the grant. Additionally, for low-income  
15 homeowners, grant funding may be used for repair to existing  
16 structures leading to any of the mitigation improvements  
17 provided in paragraph (e), limited to 20 percent of the grant  
18 value. The program may accept a certification directly from a  
19 low-income homeowner that the homeowner meets the requirements  
20 of s. 420.0004(10) if the homeowner provides such  
21 certification in a signed or electronically verified statement  
22 made under penalty of perjury.

23 (h) The department shall establish objective,  
24 reasonable criteria for prioritizing grant applications,  
25 consistent with the requirements of this section.

26 (i) The department shall develop a process that  
27 ensures the most efficient means to collect and verify grant  
28 applications to determine eligibility and may direct hurricane  
29 mitigation inspectors to collect and verify grant application  
30 information or use the Internet or other electronic means to  
31 collect information and determine eligibility.

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1           (3) EDUCATION AND CONSUMER AWARENESS.--The department  
2 may undertake a statewide multimedia public outreach and  
3 advertising campaign to inform consumers of the availability  
4 and benefits of hurricane inspections and of the safety and  
5 financial benefits of residential hurricane damage mitigation.  
6 The department may seek out and use local, state, federal, and  
7 private funds to support the campaign. ~~Multimedia public~~  
8 education, awareness, and advertising efforts designed to  
9 specifically address mitigation techniques shall be employed,  
10 as well as a component to support ongoing consumer resources  
11 and referral services.

12           (4) ADVISORY COUNCIL.--There is created an advisory  
13 council to provide advice and assistance to the department  
14 regarding ~~program administrator with regard to his or her~~  
15 administration of the program. The advisory council shall  
16 consist of:

17           (a) A representative of lending institutions, selected  
18 by the Financial Services Commission from a list of at least  
19 three persons recommended by the Florida Bankers Association.

20           (b) A representative of residential property insurers,  
21 selected by the Financial Services Commission from a list of  
22 at least three persons recommended by the Florida Insurance  
23 Council.

24           (c) A representative of home builders, selected by the  
25 Financial Services Commission from a list of at least three  
26 persons recommended by the Florida Home Builders Association.

27           (d) A faculty member of a state university, selected  
28 by the Financial Services Commission, who is an expert in  
29 hurricane-resistant construction methodologies and materials.

30           (e) Two members of the House of Representatives,  
31 selected by the Speaker of the House of Representatives.

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1 (f) Two members of the Senate, selected by the  
2 President of the Senate.

3 (g) The Chief Executive Officer of the Federal  
4 Alliance for Safe Homes, Inc., or his or her designee.

5 (h) The senior officer of the Florida Hurricane  
6 Catastrophe Fund.

7 (i) The executive director of Citizens Property  
8 Insurance Corporation.

9 (j) The director of the Division of Emergency  
10 Management of the Department of Community Affairs.

11

12 Members appointed under paragraphs (a)-(d) shall serve at the  
13 pleasure of the Financial Services Commission. Members  
14 appointed under paragraphs (e) and (f) shall serve at the  
15 pleasure of the appointing officer. All other members shall  
16 serve voting ex officio. Members of the advisory council shall  
17 serve without compensation but may receive reimbursement as  
18 provided in s. 112.061 for per diem and travel expenses  
19 incurred in the performance of their official duties.

20 (5) ~~FEDERAL FUNDING.--The department may seek out and~~  
21 ~~leverage local, state, federal, or private funds to enhance~~  
22 ~~shall use its best efforts to obtain grants or funds from the~~  
23 ~~federal government to supplement the financial resources of~~  
24 the program.

25 (6) RULES.--The Department of Financial Services shall  
26 adopt rules pursuant to ss. 120.536(1) and 120.54 to govern  
27 governing the Florida Comprehensive Hurricane Damage  
28 Mitigation program, implement the provisions of this section,  
29 including rules governing hurricane mitigation inspections,  
30 mitigation contractors, and training of inspectors and  
31 contractors, and carry out the duties of the department under

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1 ~~this section. The department shall also adopt rules~~  
2 ~~establishing priorities for grants provided under this section~~  
3 ~~based on objective criteria that gives priority to reducing~~  
4 ~~the state's probable maximum loss from hurricanes. However,~~  
5 ~~pursuant to this overall goal, the department may further~~  
6 ~~establish priorities based on the insured value of the~~  
7 ~~dwelling, whether or not the dwelling is insured by Citizens~~  
8 ~~Property Insurance Corporation and whether or not the area~~  
9 ~~under consideration has sufficient resources and the ability~~  
10 ~~to perform the retrofitting required.~~

11 ~~(7) CONTRACTS WITH NOT-FOR-PROFIT CORPORATIONS.--The~~  
12 ~~Department of Financial Services is authorized to contract~~  
13 ~~with not-for-profit corporations to conduct all or portions of~~  
14 ~~the program and to increase the awareness of the benefits of~~  
15 ~~mitigation among homeowners in this state. The department~~  
16 ~~shall consider the not-for-profit corporation's ability to~~  
17 ~~raise funds from the private sector to provide for mitigation~~  
18 ~~grants, as well as administrative capabilities for conducting~~  
19 ~~other business related to the program.~~

20 ~~(7)(8) WIND CERTIFICATION AND HURRICANE MITIGATION~~  
21 ~~INSPECTOR LIST.--The department shall develop and maintain as~~  
22 ~~a public record a current list of wind certification and~~  
23 ~~hurricane mitigation inspectors authorized to conduct wind~~  
24 ~~certification and hurricane mitigation inspections pursuant to~~  
25 ~~this section.~~

26 ~~(8) NO-INTEREST LOANS.--The department may develop a~~  
27 ~~no-interest loan program by December 31, 2007, to encourage~~  
28 ~~the private sector to provide loans to owners of site-built,~~  
29 ~~single-family, residential property to pay for mitigation~~  
30 ~~measures listed in subsection (2). A loan eligible for~~  
31 ~~interest payments pursuant to this subsection may be for a~~

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1 term of up to 3 years and cover up to \$5,000 in mitigation  
2 measures. The department shall pay the creditor the market  
3 rate of interest using funds appropriated for the My Safe  
4 Florida Home program. In no case shall the department pay more  
5 than the interest rate set by s. 687.03. To be eligible for a  
6 loan, a loan applicant must first obtain a home inspection and  
7 report that specifies what improvements are needed to reduce  
8 the property's vulnerability to windstorm damage pursuant to  
9 this section and meet loan underwriting requirements set by  
10 the lender. The department may set aside up to \$10 million  
11 from funds appropriated for the My Safe Florida Home program  
12 to implement this subsection. The department shall adopt rules  
13 pursuant to ss. 120.36(1) and 120.54 to implement this  
14 subsection which may include eligibility criteria.

15 (9) PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE  
16 BROKERS AND SALES ASSOCIATES.--The program shall develop  
17 brochures for distribution to general contractors, roofing  
18 contractors, and real estate brokers and sales associates  
19 licensed under part I of chapter 475 explaining the benefits  
20 to homeowners of residential hurricane damage mitigation. The  
21 program shall encourage contractors to distribute the  
22 brochures to homeowners at the first meeting with a homeowner  
23 who is considering contracting for home or roof repairs or  
24 contracting for the construction of a new home. The program  
25 shall encourage real estate brokers and sales associates  
26 licensed under part I of chapter 475 to distribute the  
27 brochures to clients prior to the purchase of a home. The  
28 brochures may be made available electronically.

29 (10) CONTRACT MANAGEMENT.--The department may contract  
30 with third parties for grants management, inspection services,  
31 educational outreach, and auditing services. Such contracts

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1 shall be considered direct costs of the program and shall not  
2 be subject to administrative cost limits, but contracts valued  
3 at \$500,000 or more shall be subject to review and approval by  
4 the Legislative Budget Commission. The department shall  
5 contract with providers that have a demonstrated record of  
6 successful business operations in areas directly related to  
7 the services to be provided and shall ensure the highest  
8 accountability for use of state funds, consistent with this  
9 section.

10 (11) INTENT.--It is the intent of the Legislature that  
11 grants made to residential property owners under this section  
12 shall be considered disaster-relief assistance within the  
13 meaning of s. 139 of the Internal Revenue Code of 1986, as  
14 amended.

15 (12) REPORTS.--The department shall make an annual  
16 report on the activities of the program that shall account for  
17 the use of state funds and indicate the number of inspections  
18 requested, the number of inspections performed, the number of  
19 grant applications received, and the number and value of  
20 grants approved. The report shall be delivered to the  
21 President of the Senate and the Speaker of the House of  
22 Representatives by February 1 of each year.

23 Section 2. Paragraph (b) of subsection (4) of section  
24 489.115, Florida Statutes, is amended to read:

25 489.115 Certification and registration; endorsement;  
26 reciprocity; renewals; continuing education.--

27 (4)

28 (b)1. Each certificateholder or registrant shall  
29 provide proof, in a form established by rule of the board,  
30 that the certificateholder or registrant has completed at  
31 least 14 classroom hours of at least 50 minutes each of

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1 continuing education courses during each biennium since the  
2 issuance or renewal of the certificate or registration. The  
3 board shall establish by rule that a portion of the required  
4 14 hours must deal with the subject of workers' compensation,  
5 business practices, ~~and~~ workplace safety, and, for applicable  
6 licensure categories, wind mitigation methodologies. The board  
7 shall by rule establish criteria for the approval of  
8 continuing education courses and providers, including  
9 requirements relating to the content of courses and standards  
10 for approval of providers, and may by rule establish criteria  
11 for accepting alternative nonclassroom continuing education on  
12 an hour-for-hour basis. The board shall prescribe by rule the  
13 continuing education, if any, which is required during the  
14 first biennium of initial licensure. A person who has been  
15 licensed for less than an entire biennium must not be required  
16 to complete the full 14 hours of continuing education.

17         2. In addition, the board may approve specialized  
18 continuing education courses on compliance with the wind  
19 resistance provisions for one and two family dwellings  
20 contained in the Florida Building Code and any alternate  
21 methodologies for providing such wind resistance which have  
22 been approved for use by the Florida Building Commission.  
23 Division I certificateholders or registrants who demonstrate  
24 proficiency upon completion of such specialized courses may  
25 certify plans and specifications for one and two family  
26 dwellings to be in compliance with the code or alternate  
27 methodologies, as appropriate, except for dwellings located in  
28 floodways or coastal hazard areas as defined in ss. 60.3D and  
29 E of the National Flood Insurance Program.

30         3. Each certificateholder or registrant shall provide  
31 to the board proof of completion of the core curriculum

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1 courses, or passing the equivalency test of the Building Code  
2 Training Program established under s. 553.841, specific to the  
3 licensing category sought, within 2 years after commencement  
4 of the program or of initial certification or registration,  
5 whichever is later. Classroom hours spent taking core  
6 curriculum courses shall count toward the number required for  
7 renewal of certificates or registration. A certificateholder  
8 or registrant who passes the equivalency test in lieu of  
9 taking the core curriculum courses shall receive full credit  
10 for core curriculum course hours.

11 4. The board shall require, by rule adopted pursuant  
12 to ss. 120.536(1) and 120.54, a specified number of hours in  
13 specialized or advanced module courses, approved by the  
14 Florida Building Commission, on any portion of the Florida  
15 Building Code, adopted pursuant to part VII of chapter 553,  
16 relating to the contractor's respective discipline.

17 Section 3. Sections 4, 39, and 42 of chapter 2006-12,  
18 Laws of Florida, are amended to read:

19 Section 4. Of the funds appropriated for the My Safe  
20 Florida Home ~~Comprehensive Hurricane Damage Mitigation~~ Program  
21 specified in s. 215.5586, Florida Statutes, as created by this  
22 act, \$7.5 million shall be for the Manufactured Housing and  
23 Mobile Home Mitigation and Enhancement Program specified in s.  
24 215.559(4)(b), Florida Statutes, as created by this act. The  
25 Department of Financial Services shall use these funds to  
26 contract with Tallahassee Community College to implement the  
27 Manufactured Housing and Mobile Home Mitigation and  
28 Enhancement Program.

29 Section 39. (1) The Office of Insurance Regulation,  
30 in consultation with the Department of Community Affairs, the  
31 Department of Financial Services, the Federal Alliance for



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1 Safe Homes, the Florida Insurance Council, the Florida Home  
2 Builders Association, the Florida Manufactured Housing  
3 Association, the Risk and Insurance Department of Florida  
4 State University, and the Institute for Business and Homes  
5 Safety, shall study and develop a program that will provide an  
6 objective rating system that will allow homeowners to evaluate  
7 the relative ability of Florida properties to withstand the  
8 wind load from a sustained severe tropical storm or hurricane.

9 (2) The rating system will be designed in a manner  
10 that is easy to understand for the property owner, based on  
11 proven readily verifiable mitigation techniques and devices,  
12 and able to be implemented based on a visual inspection  
13 program. The Department of Financial Services shall implement  
14 a pilot program for use in the My Safe Florida Home  
15 ~~Comprehensive Hurricane Damage Mitigation~~ Program.

16 (3) The Department shall provide a report to the  
17 Governor, the President of the Senate, and the Speaker of the  
18 House of Representatives by March 31, 2007, detailing the  
19 nature and construction of the rating scale, its effectiveness  
20 based on implementation in a pilot program, and an operational  
21 plan for statewide implementation of the rating scale.

22 Section 42. (1) For the 2006-2007 fiscal year, the  
23 sum of \$250 million is appropriated on a nonrecurring basis  
24 from the General Revenue Fund to the Insurance Regulatory  
25 Trust Fund in the Department of Financial Services for  
26 purposes of the My Safe Florida Home ~~Comprehensive Hurricane~~  
27 ~~Damage Mitigation~~ Program specified in s. 215.5586, Florida  
28 Statutes, as created by this act. The department shall  
29 establish a separate account within the trust fund for  
30 accounting purposes.

31 (2) The sum of \$250 million is appropriated from the

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1 Insurance Regulatory Trust Fund in the Department of Financial  
2 Services for the purposes set forth in subsection (1). The  
3 department may expend up to 1 percent of the funds  
4 appropriated to administer the program. Beginning October 15,  
5 2007, and quarterly thereafter, the Chief Financial Officer  
6 shall provide a report to the Executive Office of the Governor  
7 and the chair and vice chair of the Legislative Budget  
8 Commission containing information regarding expenditures made  
9 for the purposes set forth in subsection (1).

10 (3) Notwithstanding the provisions of s. 216.301,  
11 Florida Statutes, to the contrary, the unexpended balance of  
12 appropriations authorized in subsections (1) and (2) shall not  
13 revert until June 30, 2009.

14 Section 4. It is the intent of the Legislature that  
15 scientifically valid and actuarially sound windstorm  
16 mitigation rate factors, premium discounts, and differentials  
17 be provided to residential and commercial property insurance  
18 policyholders. In order to ensure the validity of such  
19 factors, the Office of Insurance Regulation, in consultation  
20 with the Department of Community Affairs and the Florida  
21 Building Commission, shall conduct or cause to be conducted  
22 one or more wind-loss mitigation studies, subject to  
23 appropriation of funds by the Legislature for this purpose.  
24 The studies shall evaluate the windstorm loss relativities for  
25 construction features, including, but not limited to, those  
26 that enhance roof strength, roof-covering performance,  
27 roof-to-wall strength, wall-to-floor-to-foundation strength,  
28 opening protections, and window, door, and skylight strength.  
29 The studies shall include residential property, including  
30 single-family and multifamily homes, mobile homes, and  
31 condominiums, and commercial nonresidential property. The

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1 studies shall include, but need not be limited to, an analysis  
2 of loss data from the 2004 and 2005 hurricanes. The findings  
3 of the studies shall be reported to the Governor, the  
4 President of the Senate, the Speaker of the House of  
5 Representatives, the Chief Financial Officer, and the  
6 Commissioner of Insurance Regulation by December 31, 2007.

7 Section 5. Section 553.844, Florida Statutes, is  
8 created to read:

9 553.844 Windstorm loss mitigation; requirements for  
10 roofs and opening protection.--

11 (1) The Legislature finds that:

12 (a) The effects of recent hurricanes on the state have  
13 demonstrated the effectiveness of the Florida Building Code in  
14 reducing property damage to buildings constructed in  
15 accordance with its requirements, and have also exposed a  
16 vulnerability of some construction undertaken prior to  
17 implementation of the Florida Building Code.

18 (b) Hurricanes represent a continuing threat to the  
19 health, safety, and welfare of the residents of this state due  
20 to the direct destructive effects of hurricanes as well as  
21 their effects on windstorm insurance rates.

22 (c) The mitigation of property damage constitutes a  
23 valid and recognized objective of the Florida Building Code.

24 (d) Cost-effective techniques for integrating proven  
25 methods of the Florida Building Code into buildings built  
26 prior to its implementation benefit all residents of the state  
27 as a whole.

28 (2) The Florida Building Commission shall:

29 (a) Analyze the extent to which a proposed Florida  
30 Building Code provision will mitigate property damage to  
31 buildings and their contents in evaluating that proposal. If

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1 the nature of the proposed Florida Building Code provision  
2 relates only to mitigation of property damage and not to a  
3 life safety concern, the proposal shall be reviewed based on  
4 its measurable benefits in relation to the costs imposed.

5 (b) Develop and adopt within the Florida Building Code  
6 a means to incorporate recognized mitigation techniques for  
7 buildings constructed prior to the implementation of the  
8 Florida Building Code, including, but not limited to:

9 1. Prescriptive techniques for the installation of  
10 gable-end bracing;

11 2. Secondary water barriers for roofs and standards  
12 relating to secondary water barriers. The criteria may  
13 include, but need not be limited to, roof shape, slope, and  
14 composition of all elements of the roof system;

15 3. Prescriptive techniques for improvement of  
16 roof-to-wall connections. The Legislature recognizes that the  
17 cost of retrofitting existing buildings to meet the code  
18 requirements for new construction in this regard may exceed  
19 the practical benefit to be attained. The Legislature intends  
20 for the commission to provide for the integration of  
21 alternate, lower-cost means that may be employed to retrofit  
22 existing buildings that are not otherwise required to comply  
23 with the requirements of the Florida Building Code for new  
24 construction so that the cost of such improvements does not  
25 exceed approximately 15 percent of the cost of reroofing;

26 4. Strengthening or correcting roof-decking  
27 attachments and fasteners during reroofing; and

28 5. Adding or strengthening opening protections.

29 (3) The Legislature finds that the integration of  
30 these specifically identified mitigation measures is critical  
31 to addressing the serious problem facing the state from damage

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caused by windstorms and that delay in the adoption and implementation constitutes a threat to the health, safety, and welfare of the state. Accordingly, the Florida Building Commission shall develop and adopt these measures by October 1, 2007, by rule separate from the Florida Building Code, which take immediate effect and shall incorporate such requirements into the next edition of the Florida Building Code. Such rules shall require or otherwise clarify that:

(a) A roof replacement must incorporate the techniques specified in subparagraphs (2)(b)3. and 4.

(b) For a building that is located in the wind-borne debris region as defined in s. 1609.2 of the International Building Code (2006) and that has a just valuation for purposes of ad valorem taxation of \$300,000 or more:

1. A roof replacement must incorporate the techniques specified in subparagraph (2)(b)3.

2. Any activity that requires a building permit that is applied for after January 1, 2008, must include provision of opening protection as required within the Florida Building Code for new construction of the building for buildings subject to the building permit.

Section 6. Paragraph (a) of subsection (6) of section 627.351, Florida Statutes, as amended by section 21 of chapter 2007-1, Laws of Florida, is amended to read:

627.351 Insurance risk apportionment plans.--

(6) CITIZENS PROPERTY INSURANCE CORPORATION.--

(a)1. The Legislature finds that actual and threatened catastrophic losses to property in this state from hurricanes have caused insurers to be unwilling or unable to provide property insurance coverage to the extent sought and needed.

It is in the public interest and a public purpose to assist in

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1 assuring that property in the state is insured so as to  
2 facilitate the remediation, reconstruction, and replacement of  
3 damaged or destroyed property in order to reduce or avoid the  
4 negative effects otherwise resulting to the public health,  
5 safety, and welfare; to the economy of the state; and to the  
6 revenues of the state and local governments needed to provide  
7 for the public welfare. It is necessary, therefore, to provide  
8 property insurance to applicants who are in good faith  
9 entitled to procure insurance through the voluntary market but  
10 are unable to do so. The Legislature intends by this  
11 subsection that property insurance be provided and that it  
12 continues, as long as necessary, through an entity organized  
13 to achieve efficiencies and economies, while providing service  
14 to policyholders, applicants, and agents that is no less than  
15 the quality generally provided in the voluntary market, all  
16 toward the achievement of the foregoing public purposes.  
17 Because it is essential for the corporation to have the  
18 maximum financial resources to pay claims following a  
19 catastrophic hurricane, it is the intent of the Legislature  
20 that the income of the corporation be exempt from federal  
21 income taxation and that interest on the debt obligations  
22 issued by the corporation be exempt from federal income  
23 taxation.

24         2. The Residential Property and Casualty Joint  
25 Underwriting Association originally created by this statute  
26 shall be known, as of July 1, 2002, as the Citizens Property  
27 Insurance Corporation. The corporation shall provide insurance  
28 for residential and commercial property, for applicants who  
29 are in good faith entitled, but are unable, to procure  
30 insurance through the voluntary market. The corporation shall  
31 operate pursuant to a plan of operation approved by order of

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1 the Financial Services Commission. The plan is subject to  
2 continuous review by the commission. The commission may, by  
3 order, withdraw approval of all or part of a plan if the  
4 commission determines that conditions have changed since  
5 approval was granted and that the purposes of the plan require  
6 changes in the plan. The corporation shall continue to operate  
7 pursuant to the plan of operation approved by the Office of  
8 Insurance Regulation until October 1, 2006. For the purposes  
9 of this subsection, residential coverage includes both  
10 personal lines residential coverage, which consists of the  
11 type of coverage provided by homeowner's, mobile home owner's,  
12 dwelling, tenant's, condominium unit owner's, and similar  
13 policies, and commercial lines residential coverage, which  
14 consists of the type of coverage provided by condominium  
15 association, apartment building, and similar policies.

16 3. For the purposes of this subsection, the term  
17 "homestead property" means:

18 a. Property that has been granted a homestead  
19 exemption under chapter 196;

20 b. Property for which the owner has a current, written  
21 lease with a renter for a term of at least 7 months and for  
22 which the dwelling is insured by the corporation for \$200,000  
23 or less;

24 c. An owner-occupied mobile home or manufactured home,  
25 as defined in s. 320.01, which is permanently affixed to real  
26 property, is owned by a Florida resident, and has been granted  
27 a homestead exemption under chapter 196 or, if the owner does  
28 not own the real property, the owner certifies that the mobile  
29 home or manufactured home is his or her principal place of  
30 residence;

31 d. Tenant's coverage;

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1 e. Commercial lines residential property; or

2 f. Any county, district, or municipal hospital; a  
3 hospital licensed by any not-for-profit corporation qualified  
4 under s. 501(c)(3) of the United States Internal Revenue Code;  
5 or a continuing care retirement community that is certified  
6 under chapter 651 and that receives an exemption from ad  
7 valorem taxes under chapter 196.

8 4. For the purposes of this subsection, the term  
9 "nonhomestead property" means property that is not homestead  
10 property.

11 5. Effective July 1, 2008, a personal lines  
12 residential structure that has a dwelling replacement cost of  
13 \$1 million or more, or a single condominium unit that has a  
14 combined dwelling and content replacement cost of \$1 million  
15 or more is not eligible for coverage by the corporation. Such  
16 dwellings insured by the corporation on June 30, 2008, may  
17 continue to be covered by the corporation until the end of the  
18 policy term. However, such dwellings that are insured by the  
19 corporation and become ineligible for coverage due to the  
20 provisions of this subparagraph may reapply and obtain  
21 coverage in the high-risk account and be considered  
22 "nonhomestead property" if the property owner provides the  
23 corporation with a sworn affidavit from one or more insurance  
24 agents, on a form provided by the corporation, stating that  
25 the agents have made their best efforts to obtain coverage and  
26 that the property has been rejected for coverage by at least  
27 one authorized insurer and at least three surplus lines  
28 insurers. If such conditions are met, the dwelling may be  
29 insured by the corporation for up to 3 years, after which time  
30 the dwelling is ineligible for coverage. The office shall  
31 approve the method used by the corporation for valuing the



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dwelling replacement cost for the purposes of this subparagraph. If a policyholder is insured by the corporation prior to being determined to be ineligible pursuant to this subparagraph and such policyholder files a lawsuit challenging the determination, the policyholder may remain insured by the corporation until the conclusion of the litigation.

6. For properties constructed on or after January 1, 2009, the corporation may not insure any property located within 2,500 feet landward of the coastal construction control line created pursuant to s. 161.053 unless the property meets the requirements of the code-plus building standards developed by the Florida Building Commission.

7. It is the intent of the Legislature that policyholders, applicants, and agents of the corporation receive service and treatment of the highest possible level but never less than that generally provided in the voluntary market. It also is intended that the corporation be held to service standards no less than those applied to insurers in the voluntary market by the office with respect to responsiveness, timeliness, customer courtesy, and overall dealings with policyholders, applicants, or agents of the corporation.

8. Effective January 1, 2009, a personal lines residential structure that is located in the "wind-borne debris region," as defined in s. 1609.2, International Building Code (2006), and that has a just valuation for purposes of ad valorem taxation of \$300,000 or more is not eligible for coverage by the corporation unless the structure has shutters, impact-resistant glass, or such other approved opening protections as required under the Florida Building Code for a newly constructed residential structure in that

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1 area.

2           Section 7. This act shall take effect upon becoming a  
3 law.

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